GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3122
ANSWERED ON:10.08.2001
EXCISE DUTY EXEMPTION FOR JUTE MILLS
CHANDRA NATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether jute mills have been exempted from payment of excise duty for sale of jute bags;

(b) if so, the details thereof and reasons therefor;

(c) the revenue losses to the Government from above exemption per year since the exemption given;

(d) whether the Government propose to withdraw this exemption as the State Government of West Bengal continued to levy sales tax even when Government of India withdrew excise from jute mills 4-5 years back;

(e) if not, the reasons therefor;

(f) whether the Government have received any representation in this regard from various Members of Parliament and other organizations;
(g) if so, the details thereof; and
(h) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) Yes, Sir.

(b) All jute and jute products were exempted from excise duty in the budget 1997-98 to revive and give a thrust to the ailing jute industry.

(c) When the exemption was given in 1997-98, the revenue loss estimated was of the order of Rs. 65 crore a year.

(d) & (e): There is no such proposal under consideration of the Government at present. The grant of excise duty exemption ona product does not depend entirely on the fact whether sales tax is leviable on that product or not. All relevant aspects are taken into account.

(f): No such representation for withdrawing exemption from excise duty on jute products appears to have been received in the Ministry of Finance.

(g) & (h): Does not arise in view of reply to part (f) above.